



California State
Board of Equalization

MICHELLE STEEL



Wishing you a Merry Christmas and a Happy New Year!

December 24, 2013

Dear Friends:

I'd just like to take a moment to wish you a very Merry Christmas and a peaceful, happy, New Year.

I wish you and your families good health and prosperity in the coming year.

As we approach the holidays, I'd like to share some great news for California taxpayers. On Tuesday, December 17, the Board of Equalization voted unanimously to eliminate the agency's automatic security deposit program and will soon begin the process of releasing up to a quarter-billion dollars to businesses across the state.



As Teresa Casazza, President of the California Taxpayers Association said, "The elimination of unnecessary security deposits is the right thing to do. This state is a notoriously tough place to run a business, especially for small business owners who struggle to keep up with California's costly taxes, fees and regulations. There is simply no need for the state to hold on to millions of taxpayer dollars."

This is an especially personal victory as well. I have worked toward the goal of eliminating this costly program since late 2007 when I found that the Board of Equalization had been improperly holding taxpayers' security deposits for much longer than the legally prescribed three-year period. At the time I moved quickly to return those deposits to the business owners who posted them with the state. We were able to return \$42 million to over 5,500 small-business owners and also change procedures at the Board to ensure timely review and return of future security deposits.

I kept watch over the program after that and directed staff to bring this proposal to before the Board after a recent analysis showed the benefit of the program to the state was steadily declining when compared with its cost.

We estimate that more than half of the over \$296 million in security deposits currently held by the agency will be released to taxpayers beginning in February. I will also work with staff on legislative options that will

allow us to release the rest.

In the coming year I will continue to work on behalf of taxpayers to do all that I can to protect the hard-working citizens of this state from increasingly aggressive government. And I will continue to fight for Californians to have the freedom we need to prosper and innovate, and to provide you with timely and important information on California's tax climate.

Again, I wish you a Merry Christmas and Happy New Year!

As always, it is an honor to serve as your elected taxpayer advocate.

Sincerely,



MICHELLE STEEL

Vice Chair, Third District

California State Board of Equalization

In the News

[OC Register: State to refund deposits to 11,000 businesses](#)

[FlashReport: Steel & Runner: Rare Victory for California Businesses at the BOE](#)

[Business Opportunities Journal: California tax agency to release over a quarter-billion dollars to small-business owners](#)

[Santa Cruz Sentinel: Small business refunds coming](#)

[Central Valley Business Times: Over a quarter-billion dollars released to small-business owners](#)

[Turlock Journal: Tax agency votes to release over a quarter-billion dollars to small-business owners](#)

[High-Desert Daily: Tax agency votes to release over a quarter-billion dollars to small-business owners](#)

[Vista Chamber of Commerce: Is my labor taxable?](#)

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